

Industrial Funding Fee Reports

A confirmation prompt reduces financial self-reporting error

Agency Objective Reduce financial self-reporting errors using a re-designed data-entry form.

Background Federal vendors are required to pay a fee, called the industrial funding fee (IFF), currently set at 0.75 percent of quarterly sales on certain transactions.¹ The size of the IFF payment is determined from self-reports submitted via a website (<https://72a.gsa.gov/>). In fiscal year 2013, the General Services Administration (GSA) collected approximately \$269 million in IFF across roughly 47,000 transactions.

The GSA, in collaboration with the Social and Behavioral Sciences Team (SBST), introduced a confirmation prompt as part of the IFF data-entry

Methods The randomized controlled trial was fielded during the third reporting quarter of 2014, where vendors ($n = 18,477$) were randomly assigned to use either: (a) the existing reporting system (control); or (b) a modified interface (treatment), redesigned to include an opening signature box confirming, "I promise that the information I am providing is true and accurate." Administrative data on paid IFF provided the primary outcome measure.

Results The median firm increased its reported sales by \$445 ($p < 0.05$, 95% CI [87, 803]) under the treatment condition. The increase in IFF remittances in the treatment group in just the third quarter of 2014 was \$1.59 million.

I promise that the information I am providing is true and accurate (typed signature)

| Schedule | SIN | Control No | Quarter Ending | Sales Amount |
|----------|----------------------------|--------------|----------------|--------------|
| 072 | 722 08 | 200929888721 | 09/30/2013 | \$ 0 |
| 072 | 722 08RC Disaster Recovery | 200929888490 | 09/30/2013 | \$ 6000 |
| 072 | 722 98 | 200929888720 | 09/30/2013 | \$ 0 |
| 072 | 722 98RC Disaster Recovery | 200929888489 | 09/30/2013 | \$ 4500 |

[Previous](#) [Submit Sales](#)

form in order to reduce financial self-reporting errors. Research has shown that inserting a confirmation prompt, where the user signs his or her name confirming the accuracy of the self-reported statements, reduces self-report errors if done at the beginning of a form; prompts at the end of a form seem to have no effect.²

Conclusion Confirmation prompts at the beginning of a form are a promising approach to reducing financial self-reporting errors, especially given the near-zero marginal cost to implement.

¹Multiple Award Schedule contracts are subject to the IFF. For general background information on the IFF, see: <https://72a.gsa.gov/ifffaq.cfm#01>

²Lisa L. Shu, Nina Mazar, Francesca Gino, Dan Ariely, and Max H. Bazerman, "Signing at the Beginning Makes Ethics Salient and Decreases Dishonest Self-Reports in Comparison to Signing at the End," Proceedings of the National Academy of Sciences 109

(2012):15197–15200. **NOTE:** This paper has been retracted due to questions about the validity of the data. See: May R. Berenbaum. "Retraction for "Signing at the beginning makes ethics salient and decreases dishonest self-reports in comparison to signing at the end," by Lisa L. Shu, Nina Mazar, Francesca Gino, Dan Ariely, and Max H. Bazerman." PNAS 118, no. 38 (2021): e2115397118.